

Departmental Offices

Program Summary (dollars in millions)					
Appropriation Title	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Request	Increase or Decrease	
				\$millions	percent
Salaries and Expenses	234.3	183.9	199.1	15.2	8.3%
Treasury Building and Annex Repair and Restoration	31.0	29.0	33.0	4.0	13.8%
Program Request	265.3	212.9	232.1	19.2	9.0%
Less Retirement Legislative Proposal	-5.9	-6.7	-7.2	-0.5	7.0%
Net Appropriation	259.4	206.1	224.9	18.8	9.1%

Included above is the FY 2001 Homeland Security Presidential distribution of \$6.100 million and the FY 2003 Homeland Security President's Budget of \$3.746 million.

Explanation of FY 2003 Request

The Departmental Offices (DO) budget request responds to the need for centrally funded Department-wide financial statement audit work. Centrally funding financial statement audits would: 1) streamline the audit process, 2) consolidate the audit work with fewer contractors, 3) assign accountability for completing audits, and 4) enhance the timeliness and consistency of financial statement audits throughout the Department. The request will also annualize the FY 2002 program augmentation of the Office of Foreign Assets Control and support continuation of the repair and restoration of the Treasury buildings.

In addition, DO is working toward becoming a *World Class* organization consistent with the President's Management Reform Agenda. DO is reviewing programmatic efforts on a continual basis to reduce or remove those producing little or no programmatic value. Budget and performance integration, as part of the President's Management Agenda, requires this kind of business review, with the emphasis on best results at the lowest total cost.

Purpose of Program

This appropriation supports the policy and oversight activities of the Secretary and his staff for Treasury Department areas of responsibility. These areas include the implementation and management of domestic and international financial services, tax, economic, and enforcement policies that may pertain to either the Department or the Federal Government.

Program Description and Benefits

Activities of the Departmental Offices funded by this appropriation include:

- ☐ **Economic Policy:** Monitoring current and prospective macro- and micro-economic developments; collecting and analyzing international financial data, including foreign credits and credit guarantees; and supporting consistency of government-wide economic programs; executing U.S. international financial policies; analyzing international trade and investment functions and researching financial issues;

Departmental Offices

- ❑ **Financial Policy:** Developing tax policies and programs; officially estimating all governmental receipts; reviewing regulations and rulings to administer the Internal Revenue Code; negotiating tax treaties for the United States; providing economic and legal policy analysis; overseeing domestic finance, banking and financial institutions, financial markets; community development; government asset privatization; public debt financing, daily government cash flow, and the Debt Collection Improvement Act;
- ❑ **Enforcement Policy and Oversight:** Setting policy and overseeing policies and operations of Treasury enforcement bureaus to: reduce violent crime and the threat of terrorism, combat money laundering and other financial crime, interdict illegal drugs, enforce trade laws, implement the Nation's economic sanctions policies, protect national leaders, and provide quality training for enforcement personnel;
- ❑ **Treasury-wide Management Policy:** Implementing the functions of the Chief Financial Officer (CFO), the Government Performance and Results Act (GPRA), and the Information Technology Management Reform Act, which includes efficient and effective use of the Treasury's assets and resources.

Program Performance

During FY 2003, DO will continue its emphasis on achieving Treasury's policymaking and oversight responsibilities. Domestically, DO will be tracking, among other things, Treasury's impact on the growth and stability of domestic financial institutions and markets, fair and efficient taxation, the index of borrowing policies and borrowing requirements to financial market participants, and the development of sound and effective economic policies. Internationally, DO will be working to maintain or improve the economic conditions in developing countries, developing debt reduction agreements for poor countries, and meeting current U.S. financing commitments, including paying all arrears to multilateral development banks. DO will also track its progress towards achievement of Treasury's enforcement goals, including implementation of the National Money Laundering Strategy, enhanced use of the regulatory process and partnership with industry to prevent, deter and detect financial and trade crimes, and enhanced efforts to combat violent crime, terrorism and narcotics trafficking.

Internally, DO will work to implement the President's Management Agenda, and to enhance bureau and departmental management operations and performance through improving the quality and timeliness of financial systems information, effectively monitoring the investment and tracking of assets, and improving acquisition and competition practices.

Department-wide Systems and Capital Investments Program

Program Summary (dollars in millions)					
Appropriation Title	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Request	Increase or Decrease	
				\$millions	percent
HR Connect:					
Development	10.3	6.7	8.2	1.5	23.0%
Deployment	1.8	2.7	3.2	0.5	20.1%
Infrastructure	8.4	6.8	7.0	0.2	2.4%
Operation and Maintenance (incl. IRS)	5.3	9.6	7.4	-2.2	-22.8%
Subtotal, HR Connect:	25.8	25.8	25.8	0.0	0.2%
Integrated Treasury Network (ITN--"Wireless"):					
Program Management	3.3	3.2	3.2	0.0	0.0%
Systems Development	8.8	7.3	7.3	0.0	0.0%
Narrowband Equipment ¹	0.0	15.4	21.4	6.0	39.0%
Infrastructure	3.5	0.0	0.0	0.0	---
Subscription Equipment	14.2	0.0	0.0	0.0	---
Subtotal, ITN	29.8	25.9	31.9	6.0	23.2%
Public Key Infrastructure	3.5	0.0	0.0	0.0	---
Treasury-wide Information Technology Architecture	0.2	0.2	0.2	0.0	0.0%
Treasury Back-up Capacity	0.0	8.7	1.7	-7.0	-80.6%
Treasury Assets Management System	0.0	0.2	0.2	0.0	0.0%
Critical Infrastructure Protection	3.0	8.0	9.0	1.0	12.5%
TOTAL, Net Appropriation	62.2	68.8	68.8	0.0	0.0%

Note:

1. For FY 2002 and FY 2003, current funding availability requires that there be flexibility between allocations for subscriber and infrastructure equipment to allow for the most efficient roll out of ITN resources. A key element in this process is the timing of Salt Lake City equipment redeployment at the conclusion of the Olympics.

Explanation of FY 2003 Request

- **Human Resources:** Continue development and operation of a 21st century capability for rational and efficient management of human skills and talents by adopting proven information systems approaches to integrating personnel information. The *HR Connect* program will continue to improve and expand its scope by introducing new technology, implementing new functionality, and increasing its customer base while maintaining a high degree of customer service and product quality. We anticipate incorporating significant enhancements and modifications to previous *HR Connect* releases based on inputs and business needs from deployed Treasury bureaus.

Department-wide Systems and Capital Investments Program

- ❑ **Integrated Treasury Network (ITN – “Wireless”):** Compliance with National Telecommunications and Information Administration (NTIA) and Presidential Decision Directives. Includes an entire array of wireless communications infrastructure and end-user devices to support all Treasury bureaus in a consolidated environment. Supports Treasury’s compliance with narrow bandwidth system requirements by the December 2004 deadline, while increasing communications security and interoperability among enforcement bureaus. Intermediate regional deadlines are also critical, including reliable enforcement communications for the 2002 Olympics.
- ❑ **Critical Infrastructure:** Critical Infrastructure Protection (CIP) resources are required to sustain current CIP efforts, including those associated with National Security Emergency Preparedness and Homeland Security. Areas of particular importance are those associated with the Banking and Finance (B&F) sector. This is one of the most sensitive and essential sectors of our National Critical Infrastructure. Treasury must continue Research and Development (R&D) efforts to address the emerging threats posed from unfriendly foreign nations, terrorists and criminals, which create increased vulnerabilities especially as the B&F community moves from its traditional protected systems to the world of e-commerce and internet banking. Efforts in the areas of authentication technologies and physical and electronic protection technologies are particularly critical and must continue. Historically, the private sector has funded and controlled the majority of the R&D done in this area, the only critical infrastructure that has had virtually no government funded R&D to address the emerging new vulnerabilities.
- ❑ **Treasury Back-up/Disaster Recovery Capacity:** Treasury will continue efforts on the disaster recovery initiative of the Chief Information Officer (CIO) organization. This effort is critical to protect many of Treasury’s technology systems and continuity of operations for key Treasury officials and functions in the event of a disaster. This project represents a commitment to safeguard IT infrastructure and to ensure consistencies through the planning and implementation phases of critical efforts.
- ❑ **Treasury Assets Management Information System:** In order to more effectively manage Treasury assets, and provide consolidated, Department-wide information, the Department has developed a system to track its motor vehicles. This system is a relational database that “mines” the bureau systems for data and helps convert it to useful information based on a number of parameters. In FY 2003, the Department will explore further refinement of the system that might include increasing the data elements collected as well as the categories of assets that can be tracked by the system.

Purpose of Program

The Department-wide Systems and Capital Investments Program budget addresses issues having Departmental stature because they are cross-cutting among Treasury bureaus or involve Treasury interface with other government agencies.

Program Performance

Bureaus deriving support from this appropriation reflect its beneficial results within their respective performance measures.

Office of Inspector General

Program Summary (<i>dollars in millions</i>)					
Appropriation Title	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Request	Increase or Decrease	
				\$millions	percent
Salaries and Expenses	34.5	37.3	37.4	0.1	0.2%
Program Request	34.5	37.3	37.4	0.1	0.3%
Less Retirement Legislative Proposal	-1.6	-1.9	-2.0	-0.1	4.7%
Net Appropriation	32.8	35.4	35.4	0.0	0.0%

Explanation of FY 2003 Request

The Office of Inspector General (OIG) is working toward becoming a *World Class* organization consistent with the President's Management Reform Agenda. OIG is reviewing programmatic efforts on a continual basis to reduce or remove those producing little or no programmatic value. Budget and performance integration, as part of the President's Management Agenda, requires this kind of business review, with the emphasis on best results at the lowest total cost.

Purpose of Program

This appropriation is used to carry out the provisions of the Inspector General Act Amendments of 1988. Within this Act, the Office of Inspector General (OIG) is charged with conducting and supervising independent audits and investigations of the Department of the Treasury's programs and operations. This appropriation is also used to provide oversight and guidance to the Offices of Internal Affairs/Inspections of three of Treasury's law enforcement bureaus.

Program Description and Benefits

The Office of Inspector General responsibilities funded by this appropriation include:

- ☐ **Providing a means to keep the Secretary and the Congress fully and currently informed** about problems and deficiencies relating to the administration of the Department's programs and operations.
- ☐ **Promoting Economy, Efficiency and Effectiveness in Treasury Programs and Operations:** The OIG's audit and investigative services help the Department and its bureaus identify more economic, efficient, and effective ways to fulfill their missions.
- ☐ **Detecting and Preventing Fraud, Waste, and Abuse:** The OIG's audits and investigations protect against attempts to corrupt or threaten Treasury employees, programs, and operations; and promotes an effective integrity awareness and fraud deterrence.

Office of Inspector General

Program Performance

The OIG has developed a Strategic Plan for FY 2001-2005, and is in the process of developing performance goals and measures that are consistent with the needs of the Department and the norms of the Inspector General community.

Treasury Inspector General for Tax Administration

Program Summary (dollars in millions)					
Appropriation Title	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Request	Increase or Decrease	
				\$millions	percent
Salaries and Expenses	125.2	133.1	131.6	-1.5	-1.1%
Program Request	125.2	133.1	131.6	-1.5	-1.1%
Less Retirement Legislative Proposal	-7.0	-7.3	-7.7	-0.3	-4.1%
Net Appropriation	118.2	125.8	124.0	-1.8	-1.4%

Included above is the FY 2002 Emergency Supplemental of the Defense Appropriation Bill of \$2.032 million and the FY 2003 Homeland Security President's Budget of \$0.216 million.

Explanation of FY 2003 Request

The Treasury Inspector General for Tax Administration (TIGTA) is working toward becoming a *World Class* organization consistent with the President's Management Reform Agenda. TIGTA is reviewing programmatic efforts on a continual basis to reduce or remove those producing little or no programmatic value. Budget and performance integration, as part of the President's Management Agenda, requires this kind of business review, with the emphasis on best results at the lowest total cost.

Purpose of Program

This appropriation, established in January 1999, is used to carry out the provisions of the Inspector General Act Amendments of 1988, the Chief Financial Officers Act of 1990, and the Government Management Reform Act of 1994, by conducting independent audits, investigations, and reviews to help the Internal Revenue Service: 1) accomplish its mission; 2) improve its programs and operations; 3) promote economy, efficiency, and effectiveness; and 4) prevent and detect fraud, waste, and abuse, including abuse of taxpayer rights.

Program Description and Benefits

The Treasury Inspector General for Tax Administration responsibilities funded by this appropriation include:

- ☐ **Promoting Economic, Efficient and Effective Program Administration:** TIGTA's audit and investigative activities help the Internal Revenue Service accomplish its mission by identifying more economic, efficient, and effective methods to improve its programs and operations.
- ☐ **Preventing and Detecting Fraud, Waste, and Abuse:** TIGTA's reviews and investigative services protect against attempts to corrupt or threaten the employees of the IRS, IRS Oversight Board, and the Chief Counsel of the IRS.

Treasury Inspector General for Tax Administration

- ☐ **Protecting Taxpayer Rights and Privacy:** TIGTA conducts performance and financial audits of IRS operations, focusing on strengthening the internal control environment, improving customer service, and increasing compliance and productivity.

Program Performance

With the requested FY 2003 resources, TIGTA expects to achieve the following levels of performance in selected program areas:

- ☐ Identify \$144.0 million in potential monetary benefits resulting from corrective actions in response to audit recommendations.
- ☐ Provide 14 million taxpaying entities with improved tax administration as a result of audit recommendations made during the fiscal year.
- ☐ Refer 60 percent of misconduct investigative reports to management for administrative adjudication within four months of case initiation.
- ☐ Increase or protect \$1.2 billion of revenue as the result of audit recommendations made during the fiscal year.
- ☐ Provide integrity briefings to 30 percent of IRS employees during the fiscal year.
- ☐ Refer 73 percent of criminal investigative reports for prosecution within one year after case initiation.
- ☐ Refer 60 percent of misconduct investigative reports to management for administrative adjudication within four months of case initiation.
- ☐ Maintain a 90 percent level quality standard (as defined by the President's Council for Integrity and Efficiency) for all investigations completed.
- ☐ Achieve a 73 percent positive response rate on employee satisfaction surveys.

CounterTerrorism Fund

Program Summary (dollars in millions)					
Appropriation Title	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Request	Increase or Decrease	
				\$millions	percent
CounterTerrorism Fund	54.9	40.0	40.0	0.0	0.0%

Explanation of FY 2003 Request

The request will support the President's response to Homeland Security requirements, as well as provide the Department of the Treasury the ability to provide reimbursement to Treasury entities and other Federal agencies to cover unanticipated costs in providing support to counter, investigate, or prosecute unexpected threats or acts of terrorism.

Purpose of Program

The Counterterrorism Fund provides reimbursement to Treasury Bureaus for costs incurred in fulfilling important Counterterrorism responsibilities including, but not limited to: protecting the President; investigating arson, explosives and firearms incidents; conducting financial investigations relating to terrorism; preventing weapons of mass destruction from entering our country; and implementing sanctions against terrorist organizations. In addition, the Fund also provides reimbursement to other Federal agencies for costs of responding to the United States Secret Service's request to provide security at National Special Security Events.

Financial Crimes Enforcement Network

Program Summary (<i>dollars in millions</i>)					
Appropriation Title	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Request	Increase or Decrease	
				\$millions	percent
Salaries and Expenses	38.5	49.0	52.3	3.3	6.7%
Program Request	38.5	49.0	52.3	3.3	6.7%
Less Retirement Legislative Proposal	-0.9	-1.5	-1.8	-0.3	21.5%
Net Appropriation	37.6	47.5	50.5	3.0	6.3%

Included above is the FY 2001 Homeland Security Presidential distribution of \$0.060 million, the FY 2002 Emergency Supplemental of the Defense Appropriation Bill of \$1.7 million, and FY 2003 Homeland Security President's Budget of \$3.1 million, \$1.0 million of which is for requirements mandated by the USA Patriot Act of 2001.

Explanation of FY 2003 Request

The Financial Crimes Enforcement Network (FinCEN) request will enable FinCEN to strengthen its law enforcement investigative support efforts to combat money laundering and other financial crimes, the illicit proceeds of which are used to finance terrorism and other criminal activities. The request will also allow FinCEN to begin to meet the challenges posed by the USA Patriot Act of 2001, which is aimed at strengthening the fight against money laundering and providing additional tools to combat terrorist financing. The Act requires, but is not limited to, issuance of numerous regulations, establishment of new regulatory programs and, expansion of anti-money laundering programs to all financial institutions. It also places an emphasis on networking among agencies, and encourages the use of electronic processes to share information and file Bank Secrecy Act (BSA) forms.

In addition, FinCEN is working toward becoming a *World Class* organization consistent with the President's Management Reform Agenda. FinCEN is reviewing programmatic efforts on a continual basis to reduce or remove those producing little or no programmatic value. Budget and performance integration, as part of the President's Management Agenda, requires this kind of business review, with the emphasis on best results at the lowest total cost.

Purpose of Program

FinCEN supports law enforcement investigative efforts and fosters interagency and global cooperation against domestic and international financial crime. FinCEN also provides U.S. policymakers with strategic analyses of domestic and worldwide money laundering developments, trends, and patterns. FinCEN works toward these ends through information collection, analysis, and sharing, as well as technological assistance, and innovative, cost-effective implementation of the Bank Secrecy Act and other Treasury authorities.

Financial Crimes Enforcement Network

Program Description and Benefits

FinCEN's responsibilities funded by this appropriation include:

- ☐ Providing quality and timely investigative support and networking to FinCEN's customers;
- ☐ Providing useful information to law enforcement and regulatory partners about trends, patterns, and issues associated with money laundering and other financial crimes;
- ☐ Effectively administering the Bank Secrecy Act in order to support the prevention and detection of money laundering and other financial crimes; and
- ☐ Establishing and strengthening mechanisms for the exchange of information globally, and engage, encourage, and support international partners in taking necessary steps to combat money laundering and other financial crimes.

Program Performance

FinCEN expects to achieve the following levels of performance in selected program areas in FY 2003 subject to requested funding:

- ☐ Enhancing the ability to provide useful information to law enforcement, regulators, and financial institutions about trends, patterns, and issues related to suspicious financial transactions and other money laundering/financial crimes which fuel terrorism and other criminal activities;
- ☐ Effectively administer additional requirements mandated by the USA Patriot Act of 2001 and subsequent regulatory requirements;
- ☐ Strengthening and expanding mechanisms for exchange of information globally to enhance the global fight against terrorism and money laundering that fuels criminal activities;
- ☐ Continuing to increase the number of cases worked directly by customers by expanding access and offering users new options for connecting the BSA databases;
- ☐ Increasing the number of investigative cases networked among law enforcement agencies and continuing to improve investigative case reports to meet customer expectations.

Federal Law Enforcement Training Center

Program Summary (<i>dollars in millions</i>)					
Appropriation Title	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Request	Increase or Decrease	
				\$millions	percent
Salaries and Expenses	102.0	132.1	126.0	-6.1	-4.6%
Acquisition, Construction, Improvement	54.1	41.9	23.3	-18.6	-44.4%
Program Request	156.1	174.1	149.4	-24.7	-14.2%
Less Retirement Legislative Proposal	-2.7	-3.4	-3.6	-0.2	5.8%
Net Appropriation	153.4	170.6	145.7	-24.9	-14.6%

Included above is the FY 2002 Emergency Supplemental of the Defense Appropriation Bill of \$31.500 million and the FY 2003 Homeland Security President's Budget of \$14.420 million.

Explanation of FY 2003 Request

The Federal Law Enforcement Training Center (FLETC) request will support the President's response to Homeland Security requirements by training new agents hired as a result of the September 11, 2001 terrorist attacks. In addition, FLETC is working toward becoming a *World Class* organization consistent with the President's Management Reform Agenda. FLETC is reviewing programmatic efforts on a continual basis to reduce or remove those producing little or no programmatic value. Budget and performance integration, as part of the President's Management Agenda, requires this kind of business review, with the emphasis on best results at the lowest total cost.

Purpose of Program

FLETC conducts the training for the vast majority of the Federal Government's law enforcement personnel. It symbolizes a partnership of federal law enforcement agencies working together to provide the highest quality training for law enforcement professionals in the most cost efficient manner.

Program Description and Benefits

Some of the specific activities of FLETC include:

- ☐ **Providing high quality training for law enforcement:** FLETC has a permanent faculty of training instructors, experienced in the diverse responsibilities of federal law enforcement, as well as detailees from the agencies which FLETC trains. This strength manifests itself not only in quality classroom instruction, but also in a powerful program development potential that is only possible because of the unique synergism that a consolidated staff generates. In addition, FLETC conducts law enforcement research and development, tracks evolving trends and challenges to law enforcement, identifies and evaluates emerging technologies for training and law enforcement, and partners with other organizations to access resources and expertise in law enforcement training and law enforcement specialties.
- ☐ **Developing, operating, and maintaining state-of-the-art facilities and systems responsive to interagency training needs:** This is one of the original objectives of the consolidated training concept

Federal Law Enforcement Training Center

and a goal that continues to be vigorously pursued. State-of-the-art training facilities are expensive to develop and maintain. By themselves, none of the FLETC participating agencies could justify or afford the sophisticated facilities that now exists and are used by the 74 agencies. Joint, consolidated training results in cost avoidance and produces significant savings in many goods and services.

- ☐ **Effectively organizing, developing, and leading FLETC's personnel in support of the Center's mission:** FLETC is working to ensure that its organizational structure enhances training delivery, increases efforts toward achieving racial and cultural diversity, implements human resource and diversity plans, improves training support processes and achieves effective communication at all levels.

Program Performance

FLETC expects to achieve the following levels of performance in selected program areas in FY 2003, subject to requested funding:

- ☐ Achieve 90 percent of students that express satisfactory or higher ratings on the Student Quality of Training Survey.
- ☐ Achieve 70 percent of employees that express satisfactory or higher on the Employee Satisfaction Survey.
- ☐ Achieve 85 percent of Partner Organizations that express satisfactory or higher on the Partner Organization Survey.
- ☐ Achieve 85 percent of requested training classes held within 15 days of the requested start date.

Financial Management Service

Appropriation Title	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Request	Increase or Decrease	
				Smillions	percent
Salaries and Expenses	265.9	223.3	231.9	8.6	3.9%
Program Request	265.9	223.3	231.9	8.6	3.9%
Less Retirement Legislative Proposal	-9.8	-10.4	-11.2	-0.8	7.7%
Net Appropriation	256.1	212.9	220.7	7.8	3.7%

Included above is the FY 2001 Homeland Security Presidential distribution of \$0.110 million.

Explanation of FY 2003 Request

The Financial Management Service (FMS) is working toward becoming a *World Class* organization consistent with the President's Management Reform Agenda. FMS is reviewing programmatic efforts on a continual basis to reduce or remove those producing little or no programmatic value. Budget and performance integration, as part of the President's Management Agenda, requires this kind of business review, with the emphasis on best results at the lowest total cost.

Purpose of Program

FMS' activities encompass all work performed to improve the quality of government financial management and include: implementing payment policy and procedures for the Federal Government, issuing and distributing payments, promoting the use of electronic methods in the payment process, assisting agencies in converting payments from paper checks to electronic funds transfer (EFT), operating the Federal government's collection and deposit systems, centrally managing and collecting delinquent debts owed to the Federal Government, and providing government-wide accounting and reporting services.

Program Description and Benefits

FMS' responsibilities funded by this appropriation include:

- ☐ **Producing accurate, accessible, and timely government-wide financial information and reports which contribute to improved quality of the Nation's financial decision making by providing financial accounting and reporting services for the Government-at-large, collecting financial information from Federal program agencies and publishing government-wide financial reports.**
- ☐ **Providing Federal payments timely and accurately, moving toward an all - electronic Treasury for payments, and determining the optimal payment processing environment for the future by disbursing payments to Social Security beneficiaries, Federal employees, government vendors, and others, and expanding the use of electronic funds transfers for these payments.**

Financial Management Service

- ☐ **Providing timely collection of Federal Government receipts, at the lowest cost, through an all-electronic Treasury** by administering the world's largest collections system, collecting over \$2 trillion annually through both electronic and paper-based mechanisms.
- ☐ **Facilitating the achievement of a clean/unqualified audit opinion on the *Financial Report of the U.S. Government* through FMS' internal operations and support to Government agencies** in support of the Government Management Reform Act of 1994, which requires annual financial statements for the U. S. Government as a whole and 24 major agencies.
- ☐ **Maximizing collection on government delinquent debt by providing efficient and effective centralized debt collection services** by managing government-wide delinquent debt collections as required by the Debt Collection Improvement Act of 1996 (DCIA). This includes maintaining and operating the Treasury Offset Program (TOP), a centralized offset program developed by FMS to assist Federal agencies and states in the collection of delinquent debts. FMS also operates the Cross-servicing Program, a centralized debt collection process that collects delinquent debts referred from Federal program agencies.
- ☐ **Establishing policies and processes to facilitate the integration of e-commerce technologies into the payments and collections infrastructure** by maintaining current systems that support the vast majority of Federal EFT payments and collections made via the Automated Clearing House (ACH), the Federal Reserve Fedwire System, and by credit card.

Program Performance

FMS expects to achieve the following levels of performance in selected program areas in FY 2003, subject to requested funding:

- ☐ Process paper check and EFT payments timely and accurately 100 percent of the time.
- ☐ Adjudicate 93 percent of forgery and non-receipt check claims within 14 days.
- ☐ Process 100 percent of EFT claims in one day.
- ☐ Make 73 percent of Treasury payments and associated information available electronically.
- ☐ Collect electronically 80 percent of the total dollar amount of Federal government receipts.
- ☐ Increase debt collection through all available tools.
- ☐ Increase the annual collection of delinquent debt, not including delinquent Federal tax debt, by \$120 million above that collected in FY 2001 for a total of \$2.8 billion.
- ☐ Increase to 85 percent the amount of delinquent debt referred to Treasury for collection, compared to the amount of delinquent debt that is eligible for referral.
- ☐ Issue timely and accurate Government-wide accounting reports.
- ☐ Manage \$5 billion in lockbox collections through Pay.gov.
- ☐ Work with agencies to achieve a clean/unqualified audit opinion on the *Financial Report of the U.S. Government*.

Bureau of Alcohol, Tobacco and Firearms

Program Summary (<i>dollars in millions</i>)					
Appropriation Title	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Request	Increase or Decrease	
				\$millions	percent
Salaries and Expenses	797.1	882.3	913.1	30.8	3.5%
Program Request	797.1	882.3	913.1	30.8	3.5%
Less Retirement Legislative Proposal	-24.4	-27.5	-29.3	-1.8	6.6%
Net Appropriation	772.7	854.7	883.8	29.0	3.4%

Included above is the FY 2001 Homeland Security Presidential distribution of \$1.530 million, the FY 2002 Emergency Supplemental of the Defense Appropriation Bill of \$31.421 million, and the FY 2003 Homeland Security President's Budget of \$13.083 million.

Explanation of FY 2003 Request

The Bureau of Alcohol, Tobacco, and Firearms (ATF) request will support the President's response to Homeland Security requirements by expanding the training capacity at the Canine Training Facility in Front Royal, Virginia, increasing ATF Canine Handler teams, and expanding ATF's participation in Joint Terrorism Task Force activities throughout the country. In addition, ATF is working toward becoming a *World Class* organization consistent with the President's Management Reform Agenda. ATF is reviewing programmatic efforts on a continual basis to reduce or remove those producing little or no programmatic value. Budget and performance integration, as part of the President's Management Agenda, requires this kind of business review, with the emphasis on best results at the lowest total cost.

Purpose of Program

ATF plays an important role in the Federal government's efforts to reduce violent crime, collect revenue and protect the public. ATF enforces the federal laws and regulations pertaining to alcohol, tobacco, firearms, explosives and arson.

Program Description and Benefits

Specific responsibilities of ATF include:

- ❑ **Reducing Violent Crime:** *To effectively contribute to a safer America by reducing firearms, explosives, and arson related violent crime, ATF investigates, arrests, and recommends for prosecution those criminals who violate firearms and explosives laws; investigates, arrests, and takes regulatory action against sources of and participants in illegal trafficking in firearms; identifies and pursues the criminal misuse of explosives materials and fire; and encourages the prevention of violence by providing training and prevention strategies through community, law enforcement, and industry partnerships.*

Bureau of Alcohol, Tobacco and Firearms

- ☐ **Collecting the Revenue:** *To maintain a sound revenue management and regulatory system that continues reducing taxpayer burden, improves service, collects the revenue due, and prevents tax evasion and other criminal conduct,* ATF is modernizing tax document processing to ensure that all eligible revenues are collected under Federal laws administered by ATF; developing systems in support of processes to ensure that revenues are received and paid out and are effectively and timely managed; and investigating and recommending for prosecution those involved in illegal diversion, smuggling of taxable commodities, and other tax evasion schemes.
- ☐ **Protecting the Public:** *To protect the public and prevent consumer deception in ATF's regulated commodities,* ATF ensures that commodities meet safety and product identity standards; prevents ineligible or prohibited persons from entering the regulated industry; holds public seminars about regulated commodity; shares information via the publication and posting of reports on ATF's Internet website; and participates in educational programming.

Program Performance

ATF intends to accomplish the following levels of performance in FY 2003, subject to requested funding:

- ☐ **Reduce Violent Crime:**
 - Increase the cumulative total of crime-related costs avoided to \$4.58 billion through imprisonment of violent criminals.
 - Accomplish 240,000 firearms traces and an average trace response time of 12.8 working days.
 - Avoid 1,992,000 firearm-related crimes.
- ☐ **Collect Revenue**
 - Collect \$14.4 billion in taxes and fees from the alcohol, tobacco, firearms and explosives industries.
 - Collect \$211 in taxes and fees for every \$1 of appropriated funding expended.
 - Achieve 1 percent of taxpayers to file excise tax returns and monthly operating reports electronically.
- ☐ **Protect the Public**
 - Respond to and correct 850 discovered unsafe conditions related to explosives storage.
 - Hold 175 public seminars about regulated alcohol, firearms and explosives by commodities.
 - Respond to and correct 190 discovered unsafe conditions related to alcohol products.

Bureau of Engraving and Printing

Program Summary (dollars in millions)					
Appropriation Title	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Estimate 1/	Increase or Decrease	
				\$millions	percent
Revenue	403.0	436.0	517.0	81.0	18.6%

1/ Estimate subject to change pending final orders from the customer agency.

Explanation of FY 2003 Request

The Bureau of Engraving and Printing (BEP) budget request maintains its capability to produce and deliver United States currency, postage stamps, and other government securities. The budget also provides the resources to enable a coordinated program of updated technology, workforce development, and improved streamlined work processes in preparation for the next generation of currency design. In addition, BEP is working toward becoming a *World Class* organization consistent with the President's Management Reform Agenda. BEP is reviewing programmatic efforts on a continual basis to reduce or remove those producing little or no programmatic value. Budget and performance integration, as part of the President's Management Agenda, requires this kind of business review, with the emphasis on best results at the lowest total cost.

Purpose of Program

The BEP operates under authority conferred upon the Secretary of the Treasury by 31 U.S.C. 321 (a)(4) to engrave and print currency and security documents. The operations of BEP are financed by means of a revolving fund. BEP is reimbursed by customer agencies through product sales for the direct and indirect costs of operations, including administrative expenses, and acquisition of capital equipment and working capital. This precludes requests for appropriations.

Program Description and Benefits

The BEP's responsibilities funded by this authority include:

- ☐ Designing, manufacturing, and supplying U.S. currency, postage, and various government securities.
- ☐ Accounting for and destroying security waste products.
- ☐ Providing maintenance services for BEP's buildings, plants, machinery and equipment.
- ☐ Conducting research and development programs for improving the quality of products, reducing manufacturing costs, and strengthening deterrents to counterfeiting of government securities.

Bureau of Engraving and Printing

Program Performance

BEP expects to achieve the following levels of performance in selected program areas in FY 2003:

- ☐ Ensure that the current demand production of 7.0 billion currency notes is met. ^{1/}
- ☐ Ensure that the current demand production of 9.0 billion postage stamps is met. ^{1/}
- ☐ Reduce the number of counterfeit defective notes returned by the Federal Reserve by producing consistently high quality, counterfeit deterrent notes.
- ☐ Reduce the number of notes and stamps returned by the Federal Reserve and the U.S. Postal Service due to manufacturing defects.
- ☐ Maintain an accurate and cost effective system of accountability for BEP products to ensure that products are accounted for during production and that customers receive the correct quantities of product by controlling shipment discrepancies for currency and postage stamps.
- ☐ Ensure proper stewardship, accountability of resources, and program integrity by continuing to receive an unqualified audit opinion on annual financial statements.

^{1/} Targets are subject to change pending final orders from the customer agency.

United States Mint Public Enterprise Fund

Program Summary (<i>dollars in millions</i>)					
Appropriation Title	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Estimate	Increase or Decrease	
				\$millions	percent
Revenue	1,069.0	884.0	929.0	45.0	5.1%

Explanation of FY 2003 Request

In FY 2003, the Mint plans to manufacture 18.9 billion circulating coins for sale to the Federal Reserve System. This year also marks the fifth year of the Fifty States Commemorative Coin Program, with the issuance of the next five coins in the ten-year series. FY 2003 will also feature the First Flight Commemorative Coin. In addition, the Mint is working toward becoming a *World Class* organization consistent with the President's Management Reform Agenda. The Mint is reviewing programmatic efforts on a continual basis to reduce or remove those producing little or no programmatic value. Budget and performance integration, as part of the President's Management Agenda, requires this kind of business review, with the emphasis on best results at the lowest total cost.

Purpose of Program

The U. S. Mint manufactures and delivers domestic circulating coinage and numismatic and bullion products, and provides security over assets, including the government's stock of gold and silver bullion, coins, and coinage metals. These activities are financed by the Mint Public Enterprise Fund, a revolving fund. This precludes requests for appropriations.

Program Description and Benefits

The responsibilities of the United States Mint Public Enterprise Fund include:

- ☐ Manufacturing and distributing circulating coinage to meet Federal Reserve demand;
- ☐ Manufacturing, marketing, and distributing numismatic and bullion coins, medals, and other products for sale to collectors and the general public; and
- ☐ Protecting Mint facilities, including the government's stock of gold and silver bullion, coins, and coinage metals at Mint locations.

Program Performance

The Mint expects to achieve the following levels of performance in selected program areas in FY 2003:

- ☐ Maintain sufficient circulating coin inventories 100% of the time to ensure adequate distribution into the Nation's economy and enable rapid response to unforeseen demand due to changes in economic conditions.
- ☐ Reduce the controllable cost of circulating coinage 15 percent (excluding metal costs) by 2005.

United States Mint Public Enterprise Fund

- ☐ Ship 98 percent of numismatic product orders within the Mint's published turnaround time standards.
- ☐ Deliver a 15 percent profit margin on numismatic products and a 2 percent profit margin on bullion (excluding circulating commemoratives.)
- ☐ Eliminate losses of Treasury-owned bullion reserves.

United States Customs Service

Program Summary (dollars in millions)					
Appropriation Title	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Request	Increase or Decrease	
				\$millions	percent
Salaries and Expenses	1,985.4	2,593.8	2,572.7	-21.1	-0.8%
Air/Marine Operation and Maintenance	154.6	184.6	170.8	-13.7	-7.4%
Automation Modernization	257.8	427.8	435.3	7.5	1.8%
Harbor Maintenance Fee Collections	3.0	3.0	3.0	0.0	0.0%
Gross Program Request	2,400.9	3,209.2	3,181.9	-27.3	-0.9%
Less Offset from COBRA Fee Increase	0.0	0.0	-249.8	-249.8	n/a
President's Budget	2,400.9	3,209.2	2,932.1	-277.1	-8.6%
Less Retirement Legislative Proposal	-85.9	-92.5	-98.0	-5.5	6.0%
Net Appropriation	2,315.0	3,116.7	2,834.1	-282.6	-9.1%

Included above is the FY 2001 Homeland Security Presidential distribution (\$35.7 million released in FY 2001 and \$29.3 million released in FY 2002), the FY 2002 Emergency Supplemental of the Defense Appropriation Bill of \$399.3 million, and the FY 2003 Homeland Security President's Budget of \$365.4 million.

Explanation of FY 2003 Request

The U.S. Customs Service request will support the President's continuing response to Homeland Security requirements and will sustain the FY 2002 equipment investment level in support of the Western Hemisphere Drug Elimination Act. Homeland Security will include a balanced approach to resource allocation, both geographically and in a combination of human capital and technology investments. Increases in staffing and inspection equipment, on both the northern and southern land borders and at vulnerable seaports, will allow greater vigilance against the introduction of weapons of mass destruction, while facilitating a growing volume of lawful trade. In addition, Customs is working toward becoming a *World Class* organization consistent with the President's Management Reform Agenda. Customs is reviewing programmatic efforts on a continual basis to reduce or remove those producing little or no programmatic value. Budget and performance integration, as part of the President's Management Agenda, requires this kind of business review, with the emphasis on best results at the lowest total cost.

Purpose of Program

These accounts fund U.S. Customs operations at air, land, and sea ports of entry, as well as at other locations around the country related to Customs mission. Customs is charged with ensuring that all goods entering and exiting the United States do so in accordance with all United States laws and regulations.

United States Customs Service

Program Description and Benefits

Customs responsibilities funded by this appropriation include:

- ☐ **Protecting the American Public and Homeland Security:** Customs inspection, examination, and investigative capabilities are responsible for discovery or seizure/interdiction of over two-thirds of all illegal narcotics encountered by federal agencies. Customs capabilities and jurisdiction also control the threat of hazardous products and dangerous substances to the environment and the public's health.
- ☐ **Protecting Fair Trade and American Competitiveness:** Customs import/export examination capabilities ensure that foreign products introduced into the American economy conform to all tariff and trade provisions of U.S. law and international agreements.
- ☐ **Facilitating a Robust International Trade:** Customs move to greater sophistication in the targeting of suspicious arriving goods and passengers allows expedited clearance of the vast majority of lawful commerce within prescribed U.S. laws and international agreements. Customs partnerships with industry allow rapid clearance of legitimate commerce without diminishing enforcement vigilance.
- ☐ **Contributing to a Balanced Budget:** In FY 2001, Customs collected nearly \$20 billion in duties, taxes, fines and penalties on non-compliant entries, and fees that are deposited in the Treasury general fund, as well as nearly \$1.3 billion in user fees related to the cost of its operations.
- ☐ **Providing Key Support to Coordinated Federal Law Enforcement, and Contributing to National Security:** Besides its principal role in federal drug control policy, Customs investigative capabilities are key in enforcing money laundering laws, by concentrating on the outbound movement of cash and negotiable instruments. Customs also protects against the export of material and technology that threaten U.S. national and economic security.

Program Performance

Customs expects to achieve the following levels of performance in selected program areas in FY 2003, subject to requested funding:

- ☐ An overall 90 percent compliance level with the Harmonized Tariff Schedules of the United States.
- ☐ 99 percent air and land passenger compliance rates.
- ☐ Seizure of approximately 1.872 million pounds of cocaine, marijuana and heroin, within a total of over 19,300 seizures.
- ☐ Seizure of \$95 million in currency, bank accounts and other financial instruments, and \$31.7 million in real property, involved in money laundering and contraband transactions.

Bureau of the Public Debt

Program Summary (<i>dollars in millions</i>)					
Appropriation Title	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Request	Increase or Decrease	
				Smillions	percent
Administering the Public Debt	194.9	199.8	204.2	4.4	2.2%
Offsetting Maintenance Fees	-4.4	-4.4	-4.4	0.0	0.0%
Program Request	190.5	195.4	199.8	4.4	2.3%
Less Retirement Legislative Proposal	-7.8	-8.4	-8.7	-0.3	3.6%
Net Appropriation Request	182.7	187.0	191.1	8.5	4.5%

Explanation of FY 2003 Request

The request for the Bureau of the Public Debt (BPD) maintains a program level consistent with the current level of efforts necessary to borrow the money needed to operate the Federal Government and to account for the resulting public debt. In addition, BPD is working toward becoming a *World Class* organization consistent with the President's Management Reform Agenda. BPD is reviewing programmatic efforts on a continual basis to reduce or remove those producing little or no programmatic value. Budget and performance integration, as part of the President's Management Agenda, requires this kind of business review, with the emphasis on best results at the lowest total cost.

Purpose of Program

This appropriation is used to administer the laws and regulations pertaining to: public debt financing; accounting for the public debt and related interest costs; and the issuance; servicing; and retirement of public debt securities.

Program Description and Benefits

BPD's responsibilities funded by this appropriation include:

- ☐ **Economic Policy - Savings Securities:** Issuing, servicing, and retiring of savings securities (Series HH/H, Series EE, and the I-bond), as well as marketing activities designed to increase the sale and retention of savings bonds, of which Series EE Savings Bonds constitute the major workload; providing comprehensive information about savings securities on Public Debt's Internet web site; and protecting investors by promptly replacing lost, stolen, or destroyed bonds;
- ☐ **Economic Policy - Marketable Securities:** Implementing regulations governing the primary issuance of Treasury securities and secondary market transactions involving government securities; protecting the investor by adjudicating claims on lost, stolen, or destroyed securities;
- ☐ **Fiscal and Financial Policy:** Issuing and servicing of marketable and special purpose securities which make up 97 percent of the outstanding public debt; conducting transactions on outstanding

Bureau of the Public Debt

securities including exchanges, transfers, and redemptions; receiving, auditing, recording, storing, and destroying redeemed securities and interest coupons;

- ☐ **Financial Policy - Accurate and Timely Information:** Establishing and maintaining accurate records of the sale and redemption of savings bonds; managing, issuing and accounting for investments on behalf of more than 200 Government agencies and Federal Trust Funds; conducting auctions, and announcing auction results in a timely manner; and recording and reporting accurate financial data concerning the public debt; and
- ☐ **Management Policy - Customer Service:** Providing quality customer service and convenience to the investor by making savings securities available through a nationwide network of financial institution issuing and paying agents; by issuing marketable securities directly and through the Federal Reserve Banks; and by enabling investors to request information and complete financial transactions using emerging electronic technologies.

Program Performance

BPD expects to achieve the following levels of performance in selected program areas in FY 2003, subject to requested funding:

- ☐ Providing quality service to purchasers of savings bonds by:
 - issuing 99.95 percent of over-the-counter savings bonds in three weeks; and
 - completing 90 percent of customer service transactions in three weeks.
- ☐ Meeting the borrowing needs of the Federal Government by:
 - conducting 100 percent of marketable securities auctions without error; and
 - announcing auction results within 25 minutes 95 percent of the time.
- ☐ Providing quality service to investors in Treasury marketable securities by:
 - completing 90 percent of *TreasuryDirect* customer service transactions within three weeks;
 - making *TreasuryDirect* interest and redemption payments timely and accurately;
 - making 100 percent of Commercial Book Entry interest and redemption payments timely and accurately; and
 - processing Government Securities Investment Program transactions timely and accurately.
- ☐ Enhance customer service satisfaction in the Savings Securities Activity Customer Satisfaction.
- ☐ Enhance employee satisfaction in the Savings Securities Activity Employee Satisfaction.
- ☐ Enhance customer service satisfaction in the Marketing Securities Activity Customer Satisfaction.
- ☐ Enhance employee satisfaction in the Marketing Securities Activity Employee Satisfaction.

Internal Revenue Service

Program Summary (dollars in millions)					
Appropriation Title	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Request	Increase or Decrease	
				\$millions	percent
Processing, Assistance & Management	3,885.8	3,983.0	4,149.8	166.9	4.2%
Tax Law Enforcement	3,633.7	3,786.8	3,988.4	201.5	5.3%
Information Systems	1,608.6	1,620.9	1,675.9	55.0	3.4%
Business Systems Modernization	71.6	391.6	450.0	58.4	14.9%
Earned Income Tax Credit Compliance	152.2	153.9	154.3	0.4	0.3%
Program Request	9,351.8	9,936.2	10,418.4	482.2	4.9%
Less Retirement Legislative Proposal	-440.3	-465.6	-502.5	-36.9	-7.9%
Net Appropriation	8,911.5	9,470.6	9,915.9	445.3	4.7%

Included above is the FY 2001 Homeland Security Presidential distribution of \$4.5 million, the FY 2002 Emergency Supplemental of the Defense Appropriation Bill of \$33.5 million, and the FY 2003 Homeland Security President's Budget of \$14.0 million.

Explanation of FY 2003 Request

The Internal Revenue Service (IRS) budget request for FY 2003 is predicated on the concept of organizational and technological modernization as directed in the IRS Restructuring and Reform Act of 1998 (RRA98). In addition, IRS will work to deliver its programs effectively and support the President's Management Agenda. IRS will now be able to focus on measuring its success in terms of its effect on the people it serves as well as the taxes it collects. The Commissioner's three strategic goals: Service to Each Taxpayer, Service to all Taxpayers, and Productivity Through a Quality Work Environment, reflect IRS' new approach to implementing the modernization concept and implementing the many mandates of RRA98.

IRS is moving forward with the technological modernization of the agency and its many systems through a prime contractor. To ensure that this effort stays on track until final completion, IRS is requesting \$450 million in FY 2003 for Information Technology Investments. To successfully meet the modernization challenges, IRS must stabilize its workforce and receive sufficient funding to achieve all of its strategic goals.

IRS is also requesting \$102 million to augment its customer service and compliance activities which have eroded in the past few years. With these resources, IRS will be able to bring the performance levels of the compliance programs to 1977 levels and come closer to the strategic goal of a 90% level of service in answering questions about taxpayer accounts.

Additionally, \$10 million is requested for IRS Tier B information systems projects that are expected to start producing future FTE savings. Previously funded Tier B projects will be producing FTE savings in FY 2003. These are projects to make the current tax filing environment more efficient (such as E-File and E-Services) and free up resources for use on other programs.

Internal Revenue Service

Purpose of Program

This program funds IRS operations nationwide in service centers, district offices, and telephone call sites. The IRS is charged with receiving Federal tax payments and is committed to doing this by providing top quality service by helping people comply with tax laws and applying the tax laws with integrity and fairness to all.

Program Description and Benefits

The IRS provides three primary services: Pre-Filing Services, Filing Services and Post-Filing Services.

- ☐ **Pre-Filing Services** – Provides services to taxpayers before the return is filed to assist in filing a correct return. A very strong emphasis is being placed on pre-filing education and assistance of all customers. Resources are focused on increasing time spent on education and outreach, increasing volunteer support time and locations, expanding pre-filing agreements and rulings, and enhancing pre-filing customer support through electronic media.
- ☐ **Filing Services** - Provides services to taxpayers in processing the filed return and paying taxes, including electronic filing and payment. The focus is on decreasing paper returns processed and increasing electronic returns, increasing the use of electronic payments, increasing telephone and in-person customer service levels and volume of calls answered.
- ☐ **Post-Filing Services** – Traditionally known as compliance, this area relates to taxpayer interaction after a return is filed to identify underreporting, non-filing and nonpayment. The focus is on improving quality of examinations and investigations, increasing customer and employee satisfaction, increasing offers in compromise, and increasing case closures.

Program Performance

In working towards the new strategic goals, it is vital that the standards used to measure and evaluate performance encourage and require performance that advances those strategic goals. The IRS is building a set of balanced measures, based on the best practices of other organizations that will address three essential areas: customer satisfaction, employee satisfaction, and business results. FY 2001 program performance includes:

- ☐ **Administration of the U.S. Tax Code:** IRS administers the Internal Revenue Code - the basis of U.S. taxation. In doing so, IRS collects \$100 for each 44 cents expended while:
 - processing over 1.6 billion tax and information returns;
 - issuing 97 million refunds; and
 - assisting over 118 million taxpayers over the telephone.
- ☐ **Balancing the Budget:** IRS collected \$2.1 trillion in Federal taxes -- 95 percent of all Federal revenues.

United States Secret Service

Program Summary (<i>dollars in millions</i>)					
Appropriation Title	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Request	Increase or Decrease	
				\$millions	percent
Salaries and Expenses ^{1/}	851.4	1,092.2	1,044.1	-48.1	-4.4%
Acq., Constr., Improv., and Related Expenses	8.9	3.5	3.5	0.1	1.8%
Program Request	860.4	1,095.7	1,047.6	-48.1	-4.4%
Less Retirement Legislative Proposal	-26.5	-30.1	-33.6	-3.5	11.7%
Net Appropriation	833.8	1,065.6	1,014.0	-51.6	-4.8%

Included above is the FY 2001 Homeland Security Presidential distribution of \$36.7 million released in FY 2002, the FY 2002 Emergency Supplemental of the Defense Appropriation Bill of \$104.8 million, and the FY 2003 Homeland Security President's Budget of \$58.0 million.

^{1/} A reappropriation of \$6.7 million of unobligated and rescinded funding from FY 2000 is not included in FY 2001 S&E appropriation above.

Explanation of FY 2003 Request

The U.S. Secret Service (USSS) budget request supports the President's response to Homeland Security requirements and enables the Service to redouble its efforts to ensure the protection of designated individuals, the general public at designated National Special Security Events (NSSE) from terrorist attacks, and payment and financial systems from various frauds and criminal schemes. In addition, USSS is working toward becoming a *World Class* organization consistent with the President's Management Reform Agenda. USSS is reviewing programmatic efforts on a continual basis to reduce or remove those producing little or no programmatic value. Budget and performance integration, as part of the President's Management Agenda, requires this kind of business review, with the emphasis on best results at the lowest total cost.

Purpose of Program

These accounts fund Secret Service protective operations for the security of the President, the Vice President, other dignitaries and designated individuals, and citizens and visitors at events of national significance; enforcement of laws relating to obligations and securities of the United States, and to financial crimes such as financial institution fraud and other fraud; and uniformed protection of the White House and other buildings within Washington, D.C., as mandated by 18 U.S.C. 3056 and 3 U.S.C. 202.

United States Secret Service

Program Description and Benefits

The Secret Service's responsibilities funded by these appropriations include:

- ☐ Sustaining a secure physical environment for permanent protectees and visiting foreign heads-of-state/government;
- ☐ Designing, planning, and implementing security at events designated as "National Special Security Events" (NSSE); and
- ☐ Suppressing the counterfeiting of obligations and securities of the United States, and other financial crimes

Program Performance

The Secret Service expects to achieve the following levels of performance in selected program areas in FY 2003, subject to requested funding:

- ☐ **Protection in a Constantly Changing World:** The USSS provides the highest level of physical security possible for persons authorized Secret Service protection. The Secret Service is internationally recognized for its expertise in accomplishing this mission. Specific benefits include:
 - maximum physical security for protectees of the Secret Service, whether they are in residence or travel status;
 - protective intelligence supporting risk assessment and the determination of protective requirements; and
 - a secure environment at the White House/Treasury complex, the Vice President's residence, foreign missions, and other Secret Service controlled sites.
- ☐ **Financial Crimes Investigation:** The Secret Service plays a leading role in maintaining public trust and confidence in the Nation's financial systems. Specific benefits include:
 - maximization of economic and community impact in financial crimes investigations; and
 - suppression of the counterfeiting of U.S. currency domestically and in foreign countries.

Interagency Crime and Drug Enforcement

Program Summary (dollars in millions)					
Appropriation Title	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Request	Increase or Decrease	
				\$millions	percent
Interagency Law Enforcement	108.1	112.7	112.8	0.1	0.1%
Program Request	108.1	112.7	112.8	0.1	0.1%
Less Retirement Legislative Proposal	-4.8	-5.1	-5.2	-0.1	1.8%
Net Appropriation	103.2	107.6	107.6	0.0	0.0%

Explanation of FY 2003 Request

The Interagency Crime and Drug Enforcement (ICDE) program is reviewing programmatic efforts on a continual basis to reduce or remove those producing little or no programmatic value. Budget and performance integration, as part of the President's Management Agenda, requires this kind of business review, with the emphasis on best results at the lowest total cost.

Purpose of Program

Under the leadership of the Department of Justice (DOJ), the Treasury Department administers the ICDE appropriation provided to Treasury bureaus. Jointly, these agencies establish law enforcement investigative case priorities. The Organized Crime Drug Enforcement Task Force (OCDETF) program was established in FY 1982. The primary goals of the program are to:

- Identify, investigate and prosecute individuals who organize, direct, finance, or otherwise engage in high-level illegal drug trafficking enterprises, including large-scale money laundering organizations; and
- Dismantle or disrupt the operations of those organizations.

To accomplish these goals, participating agencies coordinate their activities and cooperate within a national regional task force structure. There are nine regional task forces that consolidate the resources and expertise of Federal agencies in cooperation with state and local investigators and prosecutors. Consisting of a representative from each participating agency, regional task forces foster a spirit of cooperation among Federal, State and local law enforcement agencies and bring some of the best specialized investigative and prosecutorial talent of each agency to bear on cases which have qualified for referral under special criteria.

From FY 1988 until FY 1997, DOJ annually prepared a consolidated request for OCDETF on behalf of all participating agencies. Several agencies participated in and received resources from the bill on a reimbursable basis. The Bureau of Alcohol, Tobacco, and Firearms, the U.S. Customs Service and the Internal Revenue Service are the Treasury bureaus that participated in this program. Prior to FY 1998, DOJ reimbursed the Treasury bureaus for salaries and expenses expended on the cases that were referred to and accepted by the task forces.

Interagency Crime and Drug Enforcement

Program Description and Benefits

Activities performed under this appropriation are core governmental functions that must continue on a day to day basis. Specific benefits include:

- ☐ **Increased safety of United States citizens by substantially reducing drug-related crime and violence:** The OCDETF's objective is to strengthen law enforcement efforts to combat drug-related violence, disrupt criminal organizations and arrest/prosecute the leaders of illegal drug syndicates; improve the ability of High Intensity Drug Trafficking Areas (HIDTA) to counter drug trafficking; and help law enforcement to disrupt money laundering and seize/forfeit criminal assets.
- ☐ **Breaking foreign and domestic drug sources of supply:** OCDETF's objective is to disrupt and dismantle major international drug trafficking organizations and arrest, prosecute, and incarcerate their leaders. Treasury provides its capability to interdict illegal drugs through inspections at the borders.
- ☐ **Improve the capacity to detect, investigate and prosecute money laundering:** The OCDETF program makes full use of financial investigative techniques, including tax law enforcement, enforcement of Title 18 and Title 31 currency laundering statutes and the related asset forfeiture provisions in order to identify, prosecute and convict high-level traffickers and dismantle money laundering operations, and to enable the government to seize and forfeit assets and profits derived from high-level trafficking.
- ☐ **Build intergovernmental cooperation between Federal, State, and local law enforcement agencies:** OCDETF bridges the gaps in enforcement between efforts that are uniquely Federal and those that are successfully undertaken by State and local authorities. Through the combination of skills and resources, the OCDETF model offers the full range of investigative and prosecutorial tools, including seizure and forfeiture laws.

Program Performance

Performance is captured in ATF, U.S. Customs Service, and IRS (CI) performance reports.

Community Development Financial Institutions Fund

Program Summary (dollars in millions)					
Appropriation Title	FY 2001 Enacted	FY 2002 Enacted	FY 2003 Request	Increase or Decrease	
				\$millions	percent
Community Dev. Financial Institutions Fund	117.9	80.2	68.3	-12.0	-14.9%
Program Request	117.9	80.2	68.3	-12.0	-14.9%
Less Retirement Legislative Proposal	-0.2	-0.2	-0.3	0.0	14.3%
Net Appropriation	117.7	80.0	68.0	-12.0	-15.0%

Explanation of FY 2003 Request

The Community Development Financial Institutions (CDFI) Fund is working toward becoming a *World Class* organization consistent with the President's Management Reform Agenda. CDFI is reviewing programmatic efforts on a continual basis to reduce or remove those producing little or no programmatic value. Budget and performance integration, as part of the President's Management Agenda, requires this kind of business review, with the emphasis on best results at the lowest total cost.

Purpose of Program

CDFI was created to expand the availability of credit, investment capital, and financial services in distressed urban and rural communities, and to carry out the Community Development Banking and Financial Institutions Act of 1994. By stimulating the creation and expansion of diverse community development financial institutions (CDFIs) and by providing incentives to traditional banks and thrifts through the Bank Enterprise Award (BEA) Program, the Fund's investments work toward building private markets, creating healthy local tax revenues, and empowering residents. The CDFI Fund provides relatively small infusions of capital to institutions that serve distressed communities and low-income individuals. The Fund's activities leverage private-sector investments from banks, foundations, and other funding sources.

Program Description and Benefits

The CDFI Fund's responsibilities funded by this appropriation include:

- ☐ **Promoting fair and efficient deliveries of credit and other financial services and helping to bring residents of distressed communities into the economic mainstream by:** Investing directly in CDFIs that satisfy quality standards and are able to raise private matching funds; providing training and technical assistance to improve the capacity of CDFIs; implementing secondary market initiatives which draw in new sources of private institutional capital to support the activities of CDFIs; providing incentives to traditional financial institutions to increase their support of CDFIs and increase the lending and financial services they provide in distressed communities; and develop tax incentives designed to improve the prospects for economic growth in distressed areas and increase job opportunities for low-income workers.

Community Development Financial Institutions Fund

Program Performance

CDFI expects to achieve the following performance objectives in selected program areas in FY 2003:

- ☐ Increase participation in the Fund's CDFI Program to facilitate local economic growth.
- ☐ Increase private sector investment in CDFIs.
- ☐ Increase diversity of CDFI awardees.
- ☐ Increase the capacity and expertise of CDFIs.
- ☐ Increase direct lending, investment and services by depository institutions in distressed communities.
- ☐ Increase depository institution support of CDFIs.
- ☐ Increase private sector investment in community development entities.